

*Industry Insights*

Along with the Branded Entertainment Calendar, this guide provides you with an overview of deal-making insights for the branded entertainment industry as well as specific insights for each type of media. These insider tips and information will help you understand and navigate every entertainment industry's best-branded entertainment practices.

You now hold the best of what Hollywood and other entertainment industries have to offer over for the next 12 months!



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Top 100 Branded Entertainment Opportunities

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Types of Branded Entertainment

There are a myriad of different types of branded entertainment opportunities, including:

- "Hands-on" integration in a movie script, where a brand plays an integral role in a scene or throughout the film. A good example of this is the use of a BMW in several of the last James Bond films and the reported use of the Fiat Panda in the new James Bond film.
- A completely branded television episode or series, as we have seen in almost every episode of "The Apprentice."
- Use of proprietary characters for a traditional television and print campaign, similar to the Cingular campaign for "Star Wars," where Star Wars characters like Chewbacca were utilized in both print ads and a creative television spot.
- Products in the background, such as the Sub-Zero refrigerators in "Mr. and Mrs. Smith" that stopped bullets in their tracks.
- Celebrity gifting opportunities such as at the Emmy and Golden Globe Awards, where a brand can interact with A-list celebrities and get a photo that acts as an implied endorsement.

Branded Entertainment Fees

Many brands have not made the move from traditional media into branded entertainment because the fee structure is all over the place. Branded entertainment fees range from free integration to a barter agreement in exchange for media support, to an average fee range of \$500,000 to \$2,000,000 to a reported high of \$40 million. Without some guidance, it is very difficult to know if you are getting a good deal, so here is a general guideline for pricing:

- **Film**
For a "background" shot, prices will range from free* placement to a high of \$100,000. "Hands-on" integration can range from free* to a paid integration as low as \$25,000 for a small independent film to several million dollars for a larger studio picture.
- **Television**
For network and cable shows, expect to spend \$100,000 to \$250,000 per year with a branded entertainment agency, depending on the size of your



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product(s) and the difficulty involved in placement. Another option is directly via the network, but expect to deal with ad sales. Free* placements are still available, but expect these opportunities to decrease over the next couple of years.

There are also Branded Entertainment programs that are completely branded around a specific product where fees range from as low as \$350,000 and as high as \$5 million per episode.

- **Home Entertainment (DVD)**

The Home Entertainment division is only interested in one thing: the size of your media budget. The larger the budget, the more placements on or within the DVD you will receive and the more you will be able to use the "key art" or trailers without a licensing fee. Studios are looking for media budgets in the range of \$100,000 to \$2,000,000.

- **Celebrity Events & Gifting**

For celebrity events, expect to spend from \$10,000 to \$200,000, depending on the level of exclusivity, naming rights for the event and the amount of press involvement.

- **Music**

The music industry has been hit hard over the last several years, and there are significant bargains in the arena. For placement within a music video, prices will range from \$10,000 to \$50,000. Tour sponsorship fees depend on the group. There are also "shout out" opportunities available, where a brand name can get integrated into a song.

- **Video Games**

Current video game ad networks operate on a traditional CPM model, and rates are similar to cable television. To completely integrate your brand into a game (hard coded), expect to spend from \$50,000 on up to \$250,000, depending on the studio and the results of their previous releases. Expect to see a significant jump in opportunities through video ad networks compared to hard coding your brand directly into a game.

*Free is a relative word. In television and film, some free deals are available in exchange for a tremendous amount of product (such as cars, liquor, airline tickets, etc.) or a large media buy to support the film's release. Typical studio deals involve tagging your current print, broadcast and billboard media with release dates of the film or DVD. To the studios, the most valuable commodity is your broadcast time. \$3,000,000 worth of broadcast media, integrated with a





film trailer and release date, can "buy" your way onto most big-budget productions.



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The Deal

There are six distinct media categories within Branded Entertainment.

- Film: theatrical releases, both large and small
- Television: network, cable and branded projects
- Home Entertainment: DVD Releases
- Celebrity Events & Gifting: photo opportunities with A-list Hollywood talent
- Music: tour sponsorships, music and video product placement
- Video Games: game manufacturers looking for brand integration

Film

Having your brand properly integrated into a hit film is at the top of every marketer's list. Not only will it help your company hit any sales goals, but it is also a huge branding opportunity.

2006 Opportunities range from the next James Bond to "Mission Impossible III" with Tom Cruise.

Your brand's level of involvement depends on how early you get involved in the project and how much money you can devote to the project. In many instances, if your brand gets involved early enough and can devote a portion of your media campaign to tie in with the film's release, the product placement may be done for free or for a very reduced rate.

Examples:

- **"The Life Aquatic With Steve Zissou":** Adidas allowed the filmmaker to modify pairs of its shoes to fit the wardrobe needs of the characters. Adidas didn't pay to appear in the film, nor did it co-promote the project. Yet retail stores were inundated with requests for the shoes.
- **"The Firm":** Hackman's line, "Grab a Red Stripe," sent U.S. sales of Red Stripe beer up by more than 50%, and just a few weeks later, company owners sold a majority stake in their brewery for \$62 million to Guinness Brewing Worldwide.
- **"Toy Story":** Etch A Sketch sales increased 4500%, Mr. Potato Head sales increased 800%, and Slinkys, out of business for 10 years, was deluged with 20,000 orders and has sold \$27 million of the toy since.

